

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of )

Implementation of Section 9 )  
of the Communications Act )

Assessment and Collection of )  
Regulatory Fees for the 1994 )  
Fiscal Year )

MD Docket No. 94-19

COMMENTS OF PANAMSAT, L.P.

PanAmSat, L.P. ("PanAmSat"), by its attorneys, hereby submits its comments in response to the Notice of Proposed Rulemaking ("NPRM") in the above-referenced docket. Specifically, PanAmSat comments upon the Commission's proposed fee category for international bearer circuits.

In paragraph 91 of the NPRM, the Commission proposes to impose a fee upon "active 64 kilobit (KB) circuits, or equivalent bearer circuits between the United States and other countries or overseas points . . . activated by international facilities-based common carriers for the provision of international telecommunications services." The fee would be set for FY 1994 at \$220.00 per 100 active 64 KB circuits or equivalent. PanAmSat respectfully requests that the Commission clarify several aspects of this proposed fee category.

First, PanAmSat seeks clarification regarding the party that will be responsible for paying the fee. The Commission's proposed fee would be assessed on circuits "activated by international facilities-based common carriers for the provision of international telecommunications services." NPRM at ¶ 91. Thus, it would appear that the fee would be payable by the facilities-based carrier activating the circuit and providing the international telecommunications service. In the context of separate international satellite systems, the fee would, therefore, be payable by the separate system operator's customers, rather than by the separate system operator itself. See Alpha Lyracom d/b/a Pan American Satellite, Memorandum Opinion, Order and Authorization, DA 94-192 at ¶ 19

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(March 8, 1994) ("separate satellite systems are regulated as non-common carriers, and . . . any common carrier that acquires capacity directly from a separate satellite system for use in offering its own common carrier services . . . is regulated as a facilities-based carrier.") PanAmSat requests that the Commission clarify this matter to avoid any future confusion.<sup>1</sup>

Second, while basing the fee upon the number of active 64 KB circuits may be rational in the context of international telephone circuits, it is confusing at best in the context of other international telecommunications services (e.g., video). One cannot translate bare space segment capacity into a number of 64 KB circuits using any fixed formula, because the number of circuits that can be provided over any amount of space segment capacity depends on factors such as the modulation scheme employed. For example, one can transmit roughly double the number of 64 KB circuits in any given amount of capacity using QPSK modulation as one can using BPSK modulation. If a facilities-based common carrier is providing services on a modulated carrier basis, it can easily determine the number of 64 KB circuits being provided. If, however, the carrier is providing video or other transmission services via bulk bandwidth, there may be no way for the carrier to convert the actual utilized capacity into a number of 64 KB circuits. PanAmSat, therefore, requests that the Commission either limit the fee to active 64 KB circuits used for facilities-based, common carrier international telephone and data transmissions, or adopt a measurement that applies to all international facilities-based common carrier services.

Finally, it is unclear what the Commission means by "equivalent bearer circuits." If the Commission is, in effect, referring to a "pipe" through which 64 KB of information could pass in a second as an "equivalent bearer circuit," then the fee payable would be constant, even if the carrier used multiplexing to derive multiple voice/data streams through that pipe. If, however, that is not what the

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<sup>1</sup> Requiring the facilities based carrier to pay the fee makes sense for other reasons. The fees are based upon the number of active circuits — information that is generally available to the facilities-based carrier, but not the separate system operator. To determine the appropriate fee payment, therefore, PanAmSat would have to impose strict reporting requirements on its customers.

If the Commission were to decide that the fee is payable by the separate system operator in some or all cases, it must take this decision into consideration in deciding whether the fees should be considered "large" and, therefore, payable on an installment basis.

Commission intended, it is not clear what it means by its reference to "equivalent bearer circuits." PanAmSat, therefore, respectfully requests that the Commission clarify the meaning of "equivalent bearer circuits" in the context of its regulatory fee structure.

The Commission and all regulated parties have an interest in minimizing the amount of confusion and uncertainty associated with the payment of regulatory fees. For this reason, PanAmSat respectfully requests that the Commission clarify its proposed fee for international bearer circuits as discussed above.

Respectfully submitted,

PANAMSAT, L.P.

By:  /s/ Joseph A. Godles

Joseph A. Godles

Mary J. Dent

GOLDBERG, GODLES, WIENER  
& WRIGHT

1229 Nineteenth Street, N.W.

Washington, D.C. 20036

(202) 429-4900

Its Attorneys

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